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FILE

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FRANCES SEGHERS
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July 20, 1992

BY HAND

Donna R. Searcy
Secretary
Office of Managing Director
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: FCC MM Docket #87-268
In the Matter of
A Further Notice of Propsed Rulemaking
Regarding Advanced Television Systems
and Their Impact on the Existing
Television Broadcaster Service

Dear Ms. Searcy:

Please find attached an original and five copies of an amended version of "Comments of the Motion Picture Association of America" filed today in the above referenced proceeding. Due to a computer problem, the original filing contained an incorrect abbreviation for advanced television systems.

Copies of this have been sent to the Commissioners and the Mass Media Bureau. If you have any questions please contact the undersigned.

Sincerely,

Frances Seghers

MFS/mk
Attachment

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List A B C D E

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of	)	
A Further Notice of Proposed	)	
Rulemaking Regarding Advanced	)	FCC MM Docket #87-268
Television Systems and Their	)	
Impact on the Existing	)	
Television Broadcaster Service	)	

COMMENTS OF THE MOTION PICTURE ASSOCIATION OF AMERICA

The Motion Picture Association of America (MPAA) is a trade association representing eight major American producers and worldwide distributors of motion picture, television and home video entertainment. MPAA hereby submits its comments in the Federal Communications Commission's MM Docket No. 87-268, a Further Notice of Proposed Rulemaking regarding Advanced Television Systems and Their Impact on the Existing Television Broadcaster Service.

The member companies of the MPAA are among the principal suppliers of programming for U.S. television networks and individual stations. As such, the MPAA member companies have an interest in the development and implementation of any advanced television (ATV) system, also referred to as High Definition TV (HDTV).

In its FNPRM, the Commission solicits comments on several issues related to the provision of high definition television programming that are relevant to programmers.

I. Temporary Suspension of the Dual Network Prohibition

The Commission proposes to temporarily suspend the dual network prohibition in order to permit networks to offer their affiliates a second feed for programs specifically produced for ATV or adapted to conform to ATV standards. It also asks whether the suspension should extend solely to circumstances where a network's two feeds, ATV and NTSC, go to different licensees in a market. (This may occur when a network's current NTSC affiliate is temporarily unable to transmit programs in the ATV format designated by the Commission.)

Although the MPAA is not sure that the dual network prohibition is applicable to this situation, it supports the Commission's proposal to temporarily suspend the dual network prohibition so that both ATV and NTSC feeds may be provided. Waiving the dual feed prohibition will encourage the networks to provide ATV programming to their affiliates, helping to provide stations with the incentive to convert to ATV standards.

II. Simulcasting.

The Commission notes that it has already concluded that it should require 100% simulcasting of the programming on the ATV channel "at the earliest appropriate point." In the Further Notice (Section V, Paragraph 58), the Commission tentatively concludes that the 100% requirement should be adopted no later than four

years after the ATV applications/construction period for preferred allotments has passed, and it asks for comments on whether to permit broadcasters "some initial flexibility" prior to this point.

The Commission bases its decision to require 100% simulcasting on the dual rationale that it will 1) make clear that the allotment of additional broadcasting spectrum to existing broadcast licensees for ATV purposes is not designed to create a separate television service and will not be a permanent grant of spectrum to broadcasters, and 2) minimize broadcaster and consumer reliance on the ATV channel as a separately programmed service.

MPAA does not take issue with the Commission's firm stand that the temporary allocation of 6-MHz spectrum will not be a permanent grant. However, we urge the Commission to allow broadcasters the maximum flexibility in programming the ATV channel.

Programming considerations are complex and should not be locked into a resolution now which may not be justified by the development of ATV. An argument can be made, for example, that development of programming exclusively for ATV would foster consumer interest in purchasing ATV receivers. Others make the argument that viewers would be most likely to want to watch programming they already know and like on a wider screen with better resolution.

Either argument raises technical and economic considerations which cannot be ignored, but which cannot be fully resolved until more is known about how ATV broadcasting will develop.

1. Technical considerations:

It is not unreasonable to assume that programs especially produced for ATV presentation, to be viewed on ATV receivers, would not be suitable for transmission on an NTSC channel. This is similar to the technical changes which are necessary now for presentation on NTSC aspect-ratio channels of programs produced with wide-aspect ratios, as is the case with most theatrical motion pictures. HDTV programs will be produced for viewing on receivers with wide-aspect (1.77 to 1) ratios, and would very likely appear distorted when viewed on today's narrower-aspect (1.33 to 1) NTSC receivers. "Down conversion" of programming produced specifically for ATV receivers would require considerable technical preparation before it could be shown on NTSC receivers.

Conversely, some programming produced for NTSC receivers could not be converted to ATV aspects at all. Other programming, which may have been shot on film with a wide-aspect ratio format, would nevertheless require technical preparation to be shown on ATV receivers.

The development of advanced television systems remains very much a theoretical exercise at this point. Translating that theory into a working broadcasting system is bound to involve any number of technical adjustments as the physical possibilities and limitations of the ATV system are discovered.

2. Availability of Programming

There is a serious question of whether sufficient programming in the ATV format will be available by the Commission's proposed deadline. ATV productions may require substantial modification of existing programs, including motion pictures, for optimal presentation on NTSC channels. The Commission should and does recognize the fact that producers will be reluctant to produce programs exclusively for ATV channels -- until a significant level of households equipped with ATV receivers is achieved. For this reason, it is likely that sufficient ATV-format programming will not be available to broadcasters at the time the FCC proposes to impose its 100% requirement.

3. Business Considerations

In addition to the sheer body of technical knowledge which remains to be developed, broadcasters will be faced with major business decisions based on such factors as the cost of ATV equipment for production and transmission; the crucial "chicken-or-egg" job of encouraging the purchase of ATV receivers when

relatively little programming especially made for ATV can be presented; the increased cost related to operating two transmitters although virtually all advertising income is generated by only one facility; etc. During the initial phases of ATV development, stations will have to answer questions such as whether development of an ATV channel will merely split an existing and finite pool of viewers and ad revenues, or whether the possibilities of new formats will generate additional viewers and thus additional ad revenues. These considerations are fundamental to the development of ATV as a basis for broadcast television.

4. Related Developments

Even aside from ATV developments, television technology is currently in the midst of a virtual technological revolution. For example, immense strides in signal compression and interactive television technology could have a significant impact on the advent of ATV, particularly digital ATV. The ATV standards do not exist today, even in preliminary form. It is our understanding that a proposal with respect to a Ghost Canceling Reference Signal Standard will be proposed to the Commission later this year. Television technology is evolving so rapidly that the Commission should be extremely careful not to tie the hands of broadcasters, cable system operators, engineers, and entrepreneurs with constricting regulations and stringent deadlines that could hamper the exploration and eventual implementation of the fullest possibilities of these new technologies.

The production and transmission of programming especially for ATV should be encouraged, but neither producers nor broadcasters should be compelled by a 100% simulcasting requirement to transmit programs which are not suitable for simultaneous presentation on both NTSC and ATV channels.

Questions of cost and economic consideration as well as unresolved technical issues argue strongly against rigid deadlines for 100% simulcasting. Under these circumstances, the Commission may wish to consider a less stringent schedule than its proposed "all or nothing" requirement. For example, the Commission may wish to consider a "phased" schedule such as 25% ATV programming during the first three years of the actual operation of a second channel; 50% during the fourth to sixth years; etc. Alternatively, it would be appropriate for the Commission to reserve a final decision on simulcasting until 1998, when it has stated it will review HDTV developments.

III. Definition of Simulcasting

In addition to considerations of when 100% simulcasting will be required of stations, the Commission's definition of simulcasting should be broadly, rather than narrowly, drawn. Conversion of programming from one format to another may require the insertion or deletion of programming material to meet technical specifications, or accommodate advertising needs. Programmers should be given adequate leeway to make the necessary decisions.

IV. Cable Compatibility

While the Commission's concerns relate primarily to assuring optimal spectrum utilization in the public interest, over 60% of U.S. households are now cable system subscribers. The combination of optical fiber and digital compression makes it an absolute certainty that the number of channels of retransmitted and "cable originated" programming offered to subscribers will increase exponentially. The potential benefits and problems posed by ATV have been carefully researched by the Cable Laboratory and other associated groups. They have found that adapting their systems for ATV is not without technical and economic problems, some of which may be even more severe than for broadcasters.

The Commission has concluded in earlier decisions that it will not regulate the development of cable ATV. However, it would be within the Commission's public interest role to exercise a leadership role in ensuring development of a compatible ATV standard for terrestrial broadcasting and cable system transmission. At the least, we are confident that the Commission will do its utmost to make sure that its own decisions with regard to ATV help to ensure such compatibility.

It is our understanding that digital developments will greatly facilitate compatibility, as well as other desirable significant features, referred to as interoperability, extensibility and scalability. The United States is the indisputable leader with respect to developing digital technology. We are monitoring these developments with great interest, especially as they emerge from laboratories and enter the harsher, more demanding, real world.

Compatibility of cable and broadcast ATV standards has important international, as well as domestic, ramifications. From the very outset of discussions with respect to ATV, MPAA member companies have emphasized the desirability of a single world-wide "studio standard" with respect to the distribution and production of programs for ATV presentation. Such universal standards would greatly facilitate the marketing of U.S. programs internationally, and would help safeguard a crown jewel of our international trade - an enterprise which is a principal and treasured contributor to the U.S. foreign trade account. U.S. motion picture, television and home video entertainment returns to the U.S. each year a surplus U.S. balance of trade of more than $3.5 billion. Adoption of a compatible digital standard for ATV systems will help foster the continued health of broadcasting and of the U.S. program production industry.

IV. Conclusion

The development of advanced television systems holds much promise for all aspects of the future of the television industry. Nevertheless, there remain many technological hurdles and financial risks to overcome in the actual implementation of ATV. In recognition of these uncertainties, the Commission should allow broadcasters the widest possible flexibility in accomplishing the transition to the next generation of television technology.

Respectfully submitted,

Frances Seghers

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Allen R. Cooper

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